



GARY R. HERBERT  
Governor

GREGORY S. BELL  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

September 21, 2011

Rick Havenstrite  
Desert Hawk Gold Corporation  
1290 Holcomb Ave.  
Reno, Nevada 89502

William Moeller  
Clifton Mining Company  
80 West Canyon Crest Road, Suite D  
Alpine, Utah 84004

Subject: Deficient Application for Transfer of Notice of Intention (Form MR-TRS), Clifton Mining Co, Herat Mine, S/045/0023, Tooele County, Utah

Dear Messrs. Havenstrite and Moeller

On August 22, 2011, the Division of Oil, Gas and Mining received a cash surety in the amount of \$27,800.00 as part of the transfer of the referenced mine from Clifton Mining Company to Desert Hawk Gold Corporation. This bond amount is enough for 5 acres of disturbance with no facilities. On September 12, 2011, the Division of Oil, Gas and Mining received a map to be added to the permit. As submitted no facilities are to be located on site and the only area to be disturbed is limited to 2 acres and no new disturbance will occur at the Existing portal site.

The Division's letter of April 27, 2011, listed 3 items that are needed before the transfer could be considered complete:

1. A signed Reclamation Contract (Form MR-RC) (enclosed). Please contact the bonding coordinator, Penny Berry at (801) 538-5291 or at [bondcoordinator@utah.gov](mailto:bondcoordinator@utah.gov) to obtain the appropriate bond forms.
2. Replacement pages for the NOI (FORM MR-SMO) with a new signature (page 7) and showing revised ownership and control information and a signature (pages 1 and 2), from the new operator.
3. As listed above the bond is for 5 acres and the replacement map received on September 13, 2011, notes  $\pm$  2 acres; please clarify how many acres you intend to disturb.



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Rick Havenstrite and William Moeller

S/045/0023

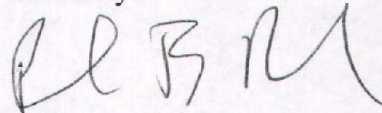
September 20, 2011

4. It is recommended that you replace all the pages in the NOI, as the 1987 permit does not address all needed information.

The definition of "on-site" in R647-1-106 says, "A series of related properties under the control of a single operator but separated by small parcels of land controlled by others will be considered a single site unless accepted by the Division." The Herat and Yellow Hammer mines are close enough that they should probably fall within this definition, but the Division is willing to allow them to exist as separate small mines for now. If any other areas are to be mined in this vicinity, the Division will re-examine whether a Notice of Intention to Commence Large Mining Operations will be required.

Thank you for your cooperation, and please let me know if you have questions about this letter.

Sincerely



Paul B. Baker  
Minerals Program Manager

PBB:lah:pb

Enclosures - MR-RC

cc: BLM - Stephen\_Allen@blm.gov

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